

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED JUNE 30, 2004

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



BALANCE SHEETS

AS OF JUNE 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	JUNE 2004	JUNE 2003
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	38,543	45,463
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2004, \$10,153; 2003, \$10,228).....	17,024	16,982
4	Inventories.....	4,857	4,908
5	Prepaid Expenses and Other Current Assets.....	6,633	5,880
6	Total Current Assets.....	67,057	73,233
7	Investments, Advances, and Receivables - CRDA.....	12,171	10,039
8	Property and Equipment - Gross.....	1,146,436	1,134,940
9	Less: Accumulated Depreciation and Amortization.....	(302,777)	(268,779)
10	Property and Equipment - Net.....	843,659	866,161
11	Other Assets..... NOTE 4.....	13,549	10,379
12	Total Assets.....	936,436	959,812
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	19,188	17,177
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... NOTE 2.....	12,782	8,912
17	Income Taxes Payable and Accrued.....	5,027	2,861
18	Other Accrued Expenses.....	35,699	23,435
19	Other Current Liabilities.....	7,872	7,791
20	Total Current Liabilities.....	80,568	60,176
	Long-Term Debt:		
21	Due to Affiliates..... NOTE 2.....	836,519	836,370
22	Other..... NOTE 2.....	13,171	13,330
23	Deferred Credits.....	-	-
24	Other Liabilities.....	400	1,048
25	Commitments and Contingencies..... NOTE 6.....		
26	Total Liabilities.....	930,658	910,924
27	Stockholders', Partners', or Proprietor's Equity..... NOTE 5.....	5,778	48,888
28	Total Liabilities and Equity.....	936,436	959,812

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	REVENUE:		
1	Casino.....	242,685	257,365
2	Rooms.....	15,585	16,158
3	Food and Beverage.....	26,767	27,164
4	Other.....	9,070	7,553
5	Total Revenue.....	294,107	308,240
6	Less: Promotional Allowances.....	60,977	61,762
7	Net Revenue.....	233,130	246,478
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	137,856	142,448
9	Selling, General and Administrative.....	34,911	37,153
10	Provision for Doubtful Accounts.....	1,317	2,126
11	Total Costs and Expenses.....	174,084	181,727
12	Gross Operating Profit.....	59,046	64,751
13	Depreciation and Amortization.....	24,555	21,352
14	Charges from Affiliates Other than Interest:.....	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 4.....	3,279	3,670
16	Income (Loss) from Operations.....	31,212	39,729
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 2.....	(48,591)	(48,351)
18	Interest Income (Expense) - External..... NOTE 2.....	(1,148)	(745)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(1,026)	(2,321)
20	Nonoperating Income (Expense) - Net.....	7	87
21	Total Other Income (Expenses).....	(50,758)	(51,330)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(19,546)	(11,601)
23	Provision (Credit) for Income Taxes.....	1,233	1,117
24	Income (Loss) Before Extraordinary Items.....	(20,779)	(12,718)
25	Extraordinary Items (Net of Income Taxes- 2004, \$ ____ ; 2003, \$ ____).....	-	-
26	Net Income (Loss).....	(20,779)	(12,718)

The accompanying notes are an integral part of the financial statements.
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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	REVENUE:		
1	Casino.....	124,962	134,133
2	Rooms.....	8,365	8,505
3	Food and Beverage.....	14,189	14,335
4	Other.....	4,410	3,958
5	Total Revenue.....	151,926	160,931
6	Less: Promotional Allowances.....	31,523	32,988
7	Net Revenue.....	120,403	127,943
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	70,702	72,476
9	Selling, General and Administrative.....	16,787	18,698
10	Provision for Doubtful Accounts.....	589	863
11	Total Costs and Expenses.....	88,078	92,037
12	Gross Operating Profit.....	32,325	35,906
13	Depreciation and Amortization.....	12,065	10,993
14	Charges from Affiliates Other than Interest:.....	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 4.....	1,647	2,012
16	Income (Loss) from Operations.....	18,613	22,901
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 2.....	(24,477)	(24,167)
18	Interest Income (Expense) - External..... NOTE 2.....	(659)	(376)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(529)	(1,471)
20	Nonoperating Income (Expense) - Net.....	13	34
21	Total Other Income (Expenses).....	(25,652)	(25,980)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(7,039)	(3,079)
23	Provision (Credit) for Income Taxes.....	634	583
24	Income (Loss) Before Extraordinary Items.....	(7,673)	(3,662)
25	Extraordinary Items (Net of Income Taxes- 2003, \$ ____ ; 2002, \$ ____).....	-	-
26	Net Income (Loss).....	(7,673)	(3,662)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003
AND THE SIX MONTHS ENDED JUNE 30, 2004

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	<u> </u> <u> </u> (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2002.....	\$72,501	(\$7,764)		\$64,737
2	Net Income (Loss) - 2003.....		(28,002)		(28,002)
3	Capital Contributions.....				
4	Capital Withdrawls.....				
5	Partnership Distributions..... NOTE 5.....	(7,917)			(7,917)
6	Prior Period Adjustments.....				
7				
8				
9				
10	Balance, December 31, 2003.....	64,584	(35,766)		28,818
11	Net Income (Loss) - 2004.....		(20,779)		(20,779)
12	Capital Contributions.....				
13	Capital Withdrawls.....				
14	Partnership Distributions..... NOTE 5.....	(2,261)			(2,261)
15	Prior Period Adjustments.....				
16				
17				
18				
19	Balance, June 30, 2004.....	\$62,323	(\$56,545)		\$5,778

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	14,539	12,381
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(5,259)	(9,319)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(2,971)	(3,072)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(8,230)	(12,391)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(6,050)	(4,207)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals	-	-
21	Partnership Distribution	(2,261)	(3,131)
22	Cash Disbursed for Capital Contribution	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(8,311)	(7,338)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,002)	(7,348)
25	Cash and Cash Equivalents at Beginning of Period.....	40,545	52,811
26	Cash and Cash Equivalents at End of Period.....	38,543	45,463
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	40,426	52,645
28	Income Taxes.....	175	200

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	(20,779)	(12,718)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	24,555	21,352
31	Amortization of Other Assets (Bond Discount).....	72	81
32	Amortization of Debt Discount or Premium.....	1,072	1,203
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,026	2,321
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(894)	(1,373)
39	Net (Increase) Decrease in Inventories.....	(47)	238
40	Net (Increase) Decrease in Other Current Assets.....	(2,493)	(966)
41	Net (Increase) Decrease in Other Assets.....	(3,348)	(4,024)
42	Net Increase (Decrease) in Accounts Payable.....	6,877	4,456
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	8,498	1,811
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45	-	-
46	-	-
47	Net Cash Provided (Used) by Operating Activities.....	14,539	12,381

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	17,045	19,928
49	Less: Capital Lease Obligations Incurred.....	(11,786)	(10,609)
50	Cash Outflows for Property and Equipment.....	5,259	9,319
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	-	-
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	0	0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution.....	-	-
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs.....	-	-
59	Plus: Elimination of Amounts Due from Affiliates.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	0	0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED JUNE 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	79,462	\$ 5,936		
2	Food	380,462	6,033		
3	Beverage	1,667,589	2,592		
4	Travel			17,607	\$ 1,717
5	Bus Program Cash	154,774	1,598		
6	Other Cash Comps	445,250	14,925		
7	Entertainment	6,278	224	5,557	270
8	Retail & Gifts			41,396	1,003
9	Parking				
10	Other *	3,260	215	25,739	599
11	Total	2,737,075	\$ 31,523	90,299	\$ 3,589

* No complimentary service or item within Other exceeds 5% of the total.

FOR THE SIX MONTHS ENDED JUNE 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	155,998	\$ 11,451		
2	Food	832,365	11,810		
3	Beverage	3,293,146	5,148		
4	Travel			33,831	\$ 3,405
5	Bus Program Cash	284,805	3,355		
6	Other Cash Comps	868,268	28,179		
7	Entertainment	14,832	617	12,136	497
8	Retail & Gifts			85,470	2,471
9	Parking				
10	Other *	6,047	417	48,320	948
11	Total	5,455,461	\$ 60,977	179,757	\$ 7,321

* No complimentary service or item within Other exceeds 5% of the total.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(Unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS

Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") of which Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"), is the sole general partner. In addition, Trump AC beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates") which owns and operates the Trump Plaza Hotel and Casino located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The Atlantic City market is very competitive, especially since the opening of the Borgata Casino Hotel and Spa by a joint venture of MGM Mirage and Boyd Gaming in Atlantic City's marina district in July 2003, and is anticipated to become more competitive in the future. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales and entertainment revenue.

THCR and its subsidiaries are very highly leveraged, with extensive secured borrowings by its operating level subsidiaries, including the Trump AC Mortgage Notes (as defined in Note 2). Trump AC has incurred recurring operating losses, which totaled \$14.0 million, \$3.4 million, and \$53.9 million during the years ended December 31, 2001, 2002, and 2003, respectively and had a working capital deficit of \$64.8 million at June 30, 2004. The recurring operating losses are primarily the result of substantial debt service obligations on outstanding indebtedness. In 2004, Trump AC's debt service obligation is expected to be approximately \$155 million. Additionally, Trump AC has experienced increased competition and other challenges in the Atlantic City market. Trump AC's liquidity situation continues to be constrained, due to Trump AC's diminished cash flows, increased trade payables, limited capacity to raise additional capital and minimal cash reserves beyond those required to fulfill gaming regulatory requirements. Due to these factors, Trump AC has not been able to expand its operations or reinvest in the maintenance of its owned properties at desired levels. Furthermore, Trump AC does not currently have any short-term borrowing capacity available.

To address these factors, management and the board of directors has reviewed various financing alternatives. As discussed in Note 8, on August 9, 2004, THCR announced that THCR, Donald J. Trump and DLJ Merchant Banking Partners III, L.P. ("DLJMB"), a private equity fund of Credit Suisse First Boston ("CSFB"), have reached an agreement in principle with a committee formed by certain holders of the Trump AC Mortgage Notes (the "Trump AC Noteholder Committee") to restructure the Company's approximately \$1.8 billion aggregate principal face amount of public indebtedness and to recapitalize the Company (the "Recapitalization Plan"). The Recapitalization Plan is contingent upon a variety of factors. No assurances can be given that the Recapitalization Plan will occur, or if it does occur, that it will occur on terms acceptable to THCR to allow THCR and its subsidiaries to meet their obligations as they become due. In addition, management has implemented programs to obtain cash flow savings and will continue to attempt to implement such programs in the upcoming year whether or not the Recapitalization Plan occurs. These programs include labor savings through increased automation of the Company's slot machine product on the gaming floor and the further reduction of planned capital expenditures and maintenance programs. However, there can be no assurances that these programs would be successful for any protracted period of time. Accordingly, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the outcome of this uncertainty or the comprehensive recapitalization.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(Unaudited)

Given the large number of holders of the Trump AC Mortgage Notes and the Trump Casino Holdings' 11.625% First Priority Mortgage Notes (the "TCH First Priority Notes") and Trump Casino Holdings 17.625% Second Priority Notes (the "TCH Second Priority Notes," and together with the TCH First Priority Notes, the "TCH Notes"), THCR intends to effect the transactions in a voluntary chapter 11 proceeding pursuant to a pre-negotiated plan of reorganization in order to implement the Recapitalization Plan in an efficient and timely manner. THCR intends to commence its chapter 11 case by the end of September 2004. If the chapter 11 case is commenced by the end of November 2004, the Company would not be required to make the November 1, 2004 interest payment on the Trump AC Mortgage Notes. If THCR's case is not commenced on or before such date, the Company cannot ensure that it will have sufficient funds on hand from operations to make the November 1, 2004 interest payment on the Trump AC Mortgage Notes within the 30 day grace period provided in the indentures governing such notes. Under such circumstances, THCR and the Company would need to borrow funds to provide for such payment of interest. The availability of such funds cannot be assured.

Subject to the foregoing, the accompanying financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2003 Quarterly Report as filed with the CCC.

The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months; therefore, results of operations for the three and six months ended June 30, 2004 and 2003 are not necessarily indicative of the operating results for a full year.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(Unaudited)

NOTE 2 - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>June 30,</u> <u>2004</u>	<u>June 30,</u> <u>2003</u>
Note Payable - Trump AC and Trump AC Funding 11.25% First Mortgage Notes, due 2006 (a)	\$ 800,000,000	\$ 800,000,000
Note Payable - Trump AC, Trump AC Funding II and Trump AC Funding III 11.25% First Mortgage Notes, due 2006, net of unamortized discount of \$231,000 and \$380,000 respectively (b)	36,519,000	36,370,000
Capitalized lease obligations (c)	<u>25,953,000</u>	<u>22,242,000</u>
	862,472,000	858,612,000
Less: Current maturities	<u>(12,782,000)</u>	<u>(8,912,000)</u>
	<u>\$ 849,690,000</u>	<u>\$ 849,700,000</u>

(a) In April 1996, Trump AC and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued \$1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). Interest on the TAC I Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest, jointly and severally, by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The TAC I Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates. The indenture pursuant to which the TAC I Notes were issued restricts the ability of Trump AC and its subsidiaries to make distributions or to pay dividends, as the case may be, unless certain financial ratios are achieved. In addition, the ability of Taj Associates and Plaza Associates to make payments of dividends or distributions (except for payment of interest) through Trump AC to THCR Holdings may be restricted by the CCC.

(b) In December 1997, Trump AC and Trump Atlantic City Funding II, Inc. ("Trump AC Funding II") issued \$75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, Trump AC and Trump Atlantic City Funding III, Inc. ("Trump AC Funding III") issued \$25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "Trump AC Mortgage Notes").

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes.

(c) Interest on these leases are payable with interest rates ranging from 6.0% to 18.2%. The leases are due at various dates between 2004 and 2007 and are secured by the equipment financed.

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(Unaudited)

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an interpretation of ARB 51." The primary objectives of this interpretation are to provide guidance on the identification of entities for which control is achieved through means other than through voting rights ("variable interest entities") and how to determine when and which business enterprise (the "primary beneficiary") should consolidate the variable interest entity. This new model for consolidation applies to an entity in which either (i) the equity investors (if any) do not have a controlling financial interest; or (ii) the equity investment at risk is insufficient to finance that entity's activities without receiving additional subordinated financial support from other parties. In addition, FIN 46 requires that the primary beneficiary, as well as all other enterprises with a significant variable interest in a variable interest entity, make additional disclosures. Certain disclosure requirements of FIN 46 were effective for financial statements issued after January 31, 2003. In December 2003, the FASB issued FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("FIN 46-R") to address certain FIN 46 implementation issues. The effective dates and impact of FIN 46 and FIN 46-R are as follows: (i) Special-purpose entities ("SPEs") created prior to February 1, 2003- the company must apply either the provisions of FIN 46 or early adopt the provisions of FIN 46-R at the end of the first interim or annual reporting period ending after December 15, 2003; (ii) Non-SPEs created prior to February 1, 2003 the company is required to adopt FIN 46-R at the end of the first interim or annual reporting period ending after March 15, 2004; and (iii) All entities, regardless of whether an SPE, that were created subsequent to January 31, 2003- the provisions of FIN 46 were applicable for variable interests in entities obtained after January 31, 2003. The adoption of the provisions applicable to SPEs and all other variable interests obtained after January 31, 2003 did not have a material impact on Taj Associates consolidated financial position, consolidated results of operations, or liquidity. Adoption of this pronouncement had no material impact on Taj Associates consolidated financial position, consolidated results of operation, or liquidity.

NOTE 4 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Donald J. Trump ("Mr. Trump") and entities that are wholly or partially owned by Mr. Trump. Amounts receivable/(payable) at March 31 are as follows:

	June 30, 2004	June 30, 2003
Trump Marina Associates ("Marina Associates")	\$ 65,000	\$ 23,000
Plaza Associates	206,000	576,000
Trump Indiana, Inc.	(85,000)	(18,000)
Trump Administration	(4,355,000)	(2,350,000)
Trump AC	9,497,000	2,000,000
Trump Casino Holdings	4,000	—
	<u>\$ 5,332,000</u>	<u>\$ 231,000</u>

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities owned by Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance and payroll costs as well as complimentary services offered to customers.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

(Unaudited)

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Taj Associates, Plaza Associates and Marina Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

NOTE 5 - PARTNERSHIP DISTRIBUTION

Pursuant to the indentures governing the Trump AC Mortgage Notes, Trump AC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements.

As such, Trump AC's subsidiaries, Taj Associates and Plaza Associates are permitted to reimburse Trump AC for its interest expenses and operating expense reimbursements to THCR. During the six months ended June 30, 2004 and 2003, Taj Associates declared cash partnership distributions to Trump AC of \$2,261,000 and \$3,131,000, respectively, consisting of operating expense reimbursements.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Taj Associates, certain members of its former executive committee and certain of its employees have been involved in various legal proceedings. In general, Taj Associates has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Various legal proceedings are now pending against Taj Associates. Taj Associates considers all such proceedings to be ordinary litigation incident to the character of its business. Taj Associates believes that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Taj Associates is also a party to various administrative proceedings involving allegations that it has violated certain provisions of the Casino Control Act. Taj Associates believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or on the ability of Taj Associates to otherwise retain or renew any casino or other licenses required under the Casino Control Act for the operation of the property.

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NOTE 7 - NJSEA SUBSIDY AGREEMENT

On April 12, 2004, the twelve Atlantic City casino properties, including the Taj Associates, executed an agreement with the New Jersey Sports & Exposition Authority ("NJSEA") and the Casino Reinvestment Development Authority ("CRDA") to, among other things, enhance purses, fund breeders' awards and establish account wagering at New Jersey horse racing tracks ("NJSEA Subsidy Agreement" or "Agreement").

The Agreement provides that the casinos pro rata according to their gross revenue: (a) shall pay \$34 million to NJSEA in cash in four yearly payments through October 15, 2007 and donate \$52 million to NJSEA from the regular payment of their CRDA obligations for use by NJSEA through 2008 to enhance such purses, fund such breeders' awards and establish such account wagering; and (b) shall donate \$10 million from the regular payment of their CRDA obligations for use by CRDA as grants to such other North Jersey projects as CRDA shall determine. The \$62 million donation of CRDA obligations is conditioned upon the timely enactment and funding of the Casino Expansion Fund Act. Taj Associates has estimated its portion of the industry obligation at approximately 10.7%.

The Agreement also anticipated that legislation to establish and fund a \$62 million Casino Expansion Fund would be effective by December 1, 2004 and that the fund will be administered by CRDA and made available pro rata to each casino for use in expanding its casino hotel facility in the amounts and at the times it makes its donation payments to CRDA ("Casino Expansion Fund Act"). The Agreement further provides for a moratorium until January 2009, which casinos may enforce by court injunction, on the conduct of "casino gaming" at any New Jersey racetrack (unless casinos controlling a majority of the hotel rooms controlled by the casinos in Atlantic City otherwise agree) and a moratorium until January 2006 on the authorization of "casino gaming" at any New Jersey racetrack, the violation of which would terminate the Agreement and all further payments to NJSEA and require NJSEA to return all undistributed cash and CRDA to return all undistributed donated CRDA obligations to the casinos. The Agreement also grants a license through August 2008 for the display, at no cost to the casino industry, of messages promoting Atlantic City generally in prominent locations at NJSEA's Meadowlands and Monmouth racetracks.

The Agreement finally provides that, if the Casino Expansion Fund is not established and funded by the New Jersey Legislature by December 1, 2004: (a) the casinos shall provide \$7 million in cash to NJSEA by December 10, 2004 and donate \$13 million from the regular payment of their CRDA obligations to NJSEA for use by NJSEA to enhance such purses, fund such breeders' awards and establish such account wagering; (b) the moratorium on the conduct of "casino gaming" at New Jersey racetracks shall expire as of January 2006; and (c) the Agreement shall otherwise terminate.

In addition to the NJSEA Subsidy Agreement, prominent leaders of the New Jersey Legislature publicly stated during spring 2004 their intent that the Legislature enact the Casino Expansion Fund Act by December 2004, repeal in increments over time the 4.25% tax on casino complimentaries it imposed as of July 2003 and, for four years, refrain from imposing any new or increased casino industry specific taxes. In this regard, legislation was enacted effective June 30, 2004 which: (a) establishes the Atlantic City Expansion Fund, identifies the Casino Hotel Room Occupancy Fee as its funding source and directs CRDA to provide the Atlantic City Expansion Fund with \$62 million and to make same available to each casino licensee for investment in an eligible project which increases the number of hotel rooms in its casino hotel facility; and (b) fully phases out the 4.25% tax on casino complimentaries as of July 1, 2009.

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NOTE 8 - SUBSEQUENT EVENTS

Recapitalization Plan

As previously disclosed, in the first quarter of 2004, THCR, Trump AC and certain affiliates of Trump AC entered into an exclusivity agreement and certain letter agreements with DLJMB in connection with a proposed equity investment to sponsor a comprehensive recapitalization of THCR. On August 9, 2004, THCR issued a press release and on August 10, 2004 filed a Current Report on Form 8-K with the Securities and Exchange Commission ("SEC") announcing that THCR, Donald J. Trump and DLJMB have reached an agreement in principle with the Trump AC Noteholder Committee to recapitalize THCR and its subsidiaries, including Trump AC (the "Recapitalization Plan"), and proposed restructuring of THCR's approximately \$1.8 billion aggregate principal amount of indebtedness for approximately \$1.25 billion of new secured notes with an anticipated interest rate of 7.875% per annum and which are expected to be guaranteed by all of THCR's operating subsidiaries and secured by a second lien on all of THCR's present and future assets, including the Trump AC Properties (the "New Notes"). As part of the Recapitalization Plan, Mr. Trump and DLJMB would co-invest \$400 million of equity into the recapitalized Company. Mr. Trump's investment in the recapitalized Company is intended to be approximately \$70.9 million, \$55 million of which would be in the form of a co-investment with DLJMB and the remainder of which would be invested through Mr. Trump's contribution of approximately \$15.9 million principal amount of his TCH Second Priority Notes. Mr. Trump's beneficial ownership of the recapitalized Company's common stock is expected to be up to approximately 25%, on a fully-diluted basis.

Given the large number of noteholders, THCR intends to effect the transactions in a chapter 11 proceeding pursuant to a pre-negotiated plan of reorganization in order to implement the Recapitalization Plan in an efficient and timely manner. THCR intends to commence its chapter 11 case by the end of September 2004 and expects, but cannot ensure that, the Recapitalization Plan will be consummated in the first quarter of 2005. If the case is commenced by such time, the Company would not be required to make the November 1, 2004 interest payment on the Trump AC Mortgage Notes. If THCR's case is not commenced by the end of November 2004, the Company cannot ensure that it will have sufficient funds on hand from operations to make the November 1, 2004 interest payment on the Trump AC Mortgage Notes within the 30 day grace period provided in the indentures governing such notes. Under such circumstances, THCR and the Company would need to borrow funds to provide for such payment of interest. The availability of such funds cannot be assured.

The consummation of the Recapitalization Plan is subject to a variety of conditions discussed below. The Company intends to maintain its current level of operations during the pendency of the proceedings, expects that its patrons and vendors would experience no change in the way the Company does business with them, and anticipates that the proposed plan of reorganization would not impair trade creditor claims. THCR intends to arrange for up to \$100 million debtor-in-possession financing during the proceedings.

In connection with the Recapitalization Plan, THCR has held discussions with certain holders of the TCH Notes, which have formed a committee (the "TCH Noteholder Committee") to discuss a potential restructuring, and the TCH Noteholder Committee has engaged legal and financial advisors. As part of those discussions, THCR delivered to the TCH Noteholder Committee a proposal that provided for a proposed recovery for the TCH First Priority Notes of amounts in excess of the aggregate accreted amount of those notes as of September 30, 2004. On August 9, 2004, the TCH Noteholder Committee informed THCR that such committee was not in agreement with the proposal made by the Company, and such proposal is no longer outstanding. THCR has not reached any specific agreement with the TCH Noteholder

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(Unaudited)

Committee or any other holders of the TCH Notes concerning a restructuring, and there is no assurance that THCR will reach such an agreement with such holders. THCR's current proposal contemplates a recovery by holders of TCH First Priority Notes of approximately the accreted value of such notes (approximately 95.6% of the aggregate principal face amount), which THCR believes is an appropriate recovery under the Bankruptcy Code.

Although the Trump AC Noteholder Committee has agreed in principle to support the Recapitalization Plan, such support does not constitute their official approval of the plan of reorganization that is anticipated to be proposed by THCR after a chapter 11 case is commenced. Such approval can be obtained only after a court approved plan disclosure document is distributed to persons entitled to vote on the plan. Moreover, the holders of TCH Notes have not agreed in principle to support the Recapitalization Plan. Although THCR will continue to seek support of TCH Noteholders, it cannot assure that such support will be obtained. In such event, THCR currently anticipates consummating the Recapitalization Plan without obtaining the support of TCH Noteholders.

The consummation of the Recapitalization Plan is subject to a number of conditions, the satisfaction of which cannot be assured, including, among other things, the negotiation of a definitive investment agreement with DLJMB, an indenture governing the New Notes, the documentation relating to THCR's proposed arrangements with Mr. Trump and a plan of reorganization. The plan of reorganization would also be subject to obtaining applicable governmental approvals, including court confirmation of the plan of reorganization and approval of the related solicitation materials, gaming regulatory authority approvals and relevant filings under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended. The definitive terms and conditions of the Recapitalization Plan would be outlined in a disclosure statement that would be sent to security holders and creditors entitled to vote on the plan of reorganization. There can be no assurances that the Recapitalization Plan will be officially proposed as described herein or consummated.

Upon THCR's announcement of the Recapitalization Plan and intended commencement of the chapter 11 case, the New York Stock Exchange suspended the trading of THCR's current common stock, and informed THCR that it has applied to the Securities and Exchange Commission to delist THCR's current common stock, pending the completion of applicable procedures. The recapitalized THCR intends to apply to have its new common stock listed on the New York Stock Exchange or other national securities exchange upon the consummation of the Recapitalization Plan.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY:
COUNTY OF ATLANTIC :SS,
:

James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 13th
day of August, 2004


Signature

Vice President of Finance
Title


Signature

003507-11
License Number

Suzanne H. Wallowitch
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 23, 2008
Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee